

solutions, platforms and frameworks, including solutions for securing software applications and digital content. Uniloc's patented technologies enable software and content publishers to securely distribute and sell their high-value technology assets with minimum burden to their legitimate end users. Uniloc's technology is used in several markets, including software and game security, identity management, intellectual property rights management, and critical infrastructure security.

4. System Development, Inc. ("System Development") is a Texas corporation with its principal place of business in Houston, Texas. System Development may be served with process through its registered agent, Forrest Carpenter, 11111 Richmond Ave., Suite 110, Houston, Texas 77082. Upon information and belief, System Development does business in the State of Texas and in the Eastern District of Texas.

JURISDICTION AND VENUE

5. Uniloc brings this action for patent infringement under the patent laws of the United States, namely 35 U.S.C. §§ 271, 281, and 284-285, among others. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1367.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(c) and 1400(b). On information and belief, Defendant is deemed to reside in this judicial district, has committed acts of infringement in this judicial district, has purposely transacted business involving its accused products in this judicial district and/or, has regular and established places of business in this judicial district.

7. Defendant is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this State and judicial district, including: (A) at least part of its infringing activities alleged herein; and (B) regularly doing or soliciting business, engaging in other persistent

conduct, and/or deriving substantial revenue from goods sold and services provided to Texas residents.

COUNT I
(INFRINGEMENT OF U.S. PATENT NO. 5,579,222)

8. Uniloc incorporates paragraphs 1 through 7 herein by reference.

9. Uniloc Luxembourg is the owner, by assignment, of the '222 patent, entitled "DISTRIBUTED LICENSE ADMINISTRATION SYSTEM USING A LOCAL POLICY SERVER TO COMMUNICATE WITH A LICENSE SERVER AND CONTROL EXECUTION OF COMPUTER PROGRAMS." A true and correct copy of the '222 patent is attached as Exhibit A.

10. Uniloc USA is the exclusive licensee of the '222 patent with ownership of all substantial rights in the '222 patent, including the right to grant sublicenses, exclude others and to enforce, sue and recover damages for past and future infringements.

11. The '222 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

12. System Development is directly infringing one or more claims of the '222 patent in this judicial district and elsewhere in Texas, including at least claim 18, without the consent or authorization of Uniloc, by or through making, using, offering for sale, selling and/or importing software that includes concurrent license administration functionality that permits the borrowing or "checking out" of licenses, including, but not limited to, SDI Convert Pro.

13. Uniloc has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is, thus, liable to Uniloc in an amount that adequately compensates it for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

JURY DEMAND

Uniloc hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

PRAYER FOR RELIEF

Uniloc requests that the Court find in its favor and against Defendant, and that the Court grant Uniloc the following relief:

- a. Judgment that one or more claims of the '222 patent has been infringed, either literally and/or under the doctrine of equivalents, by Defendant;
- b. Judgment that Defendant account for and pay to Uniloc all damages to and costs incurred by Uniloc because of Defendant's infringing activities and other conduct complained of herein;
- c. Judgment that Defendant account for and pay to Uniloc a reasonable, on-going, post judgment royalty because of Defendant's infringing activities and other conduct complained of herein;
- d. That Uniloc be granted pre-judgment and post-judgment interest on the damages caused by Defendant's infringing activities and other conduct complained of herein; and
- e. That Uniloc be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: October 26, 2012

Respectfully submitted,

/s/ Edward E. Casto, Jr. (w/permission Wesley Hill)

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